

welfare reform

in utah

Purposes of Temporary Assistance for Needy Families (TANF):

- Provide assistance to needy families so children can remain in their own homes or in the home of a relative
- End dependence of needy families on government benefits by promoting job preparation, work and marriage
- Prevent and reduce the incidence of out of wedlock births
- Encourage the formation and maintenance of two parent families

Utah's innovative welfare reform effort began in January 1993 as the Single Parent Employment Demonstration Program (SPED). The mission of the SPED program was to increase income through earnings and child support. The SPED program was philosophically different from the Aid to Families with Dependent Children (AFDC) JOBS program in its focus on "self-sufficiency" before eligibility determination (entitlement), diversion, and universal participation in activities leading to employment.

SPED simplified eligibility and rewarded participation. Utah was the first state to obtain a waiver from the federal government for full-family closure for non-participation. In order to obtain this waiver, Utah agreed to implement a conciliation process and provide in-house social work services. The SPED pilot offices were so successful in moving clients into employment that the program was implemented statewide as the Family Employment Program (FEP) in 1996. This was before the advent of federal welfare reform with the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in August 1996.



The PRWORA law overhauled the federal welfare system with the principal intent of ending adult dependency on public assistance. The law places a heavy emphasis on employment and holds states accountable to minimum work participation rates for families receiving assistance funded by the Temporary Assistance for Needy Families (TANF) block grant.

In 1997, the Utah Legislature passed the FEP Act. This Act moved authority of FEP from the Department of Human Services to the Department of Workforce Services (DWS) effective July 1, 1997 and implemented the new provisions of PRWORA, including federally mandated time limits.

Who Qualifies for FEP?

Generally, to be eligible for financial assistance under the FEP (single or two-parent) a household unit must include:

- a pregnant woman in the third calendar month prior to the expected month of delivery
- at least one minor dependent child who is a citizen or meets the alienage criteria
- a minor child defined as being under the age of 18 years and not emancipated by marriage or by court order

Households must meet other eligibility requirements (income, assets, and participation); persons who are fleeing to avoid prosecution of a felony are ineligible for financial assistance.

Utah Has a 36-Month Lifetime Limit On Financial Assistance

When Utah implemented FEP it also adopted a 36-month lifetime limit on financial assistance. This 36-month lifetime limit began on January 1, 1997, at which time Utah had a caseload of 12,295 families receiving financial assistance. The families receiving assistance then, who did not move away from assistance, reached their lifetime limits on December 31, 1999. There were 403 families in Utah who reached that 36-month limit and 143 families whose financial assistance cases were actually closed due to

lifetime limits; the remaining families were eligible to continue financial assistance because they qualified for an extension.

Customers who reach their lifetime limits often continue to qualify for and receive food stamps, medicaid, training, child care, and/or all employment connection services provided through DWS.

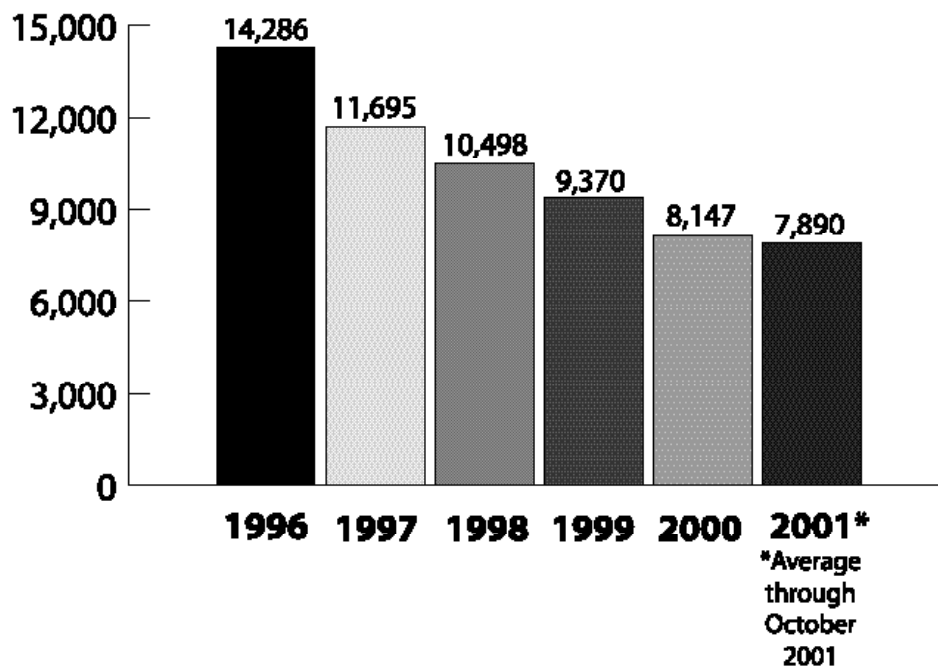
Law allows DWS to extend up to 20% of its annual financial assistance caseload past the 36-month lifetime limit for specific reasons. The extension criteria include:

- Parents who are medically (physically or mentally, including substance abusers) unable to work

Utah received a TANF High Performance Bonus Award equaling \$2,581,985 in FY 2000 based on its performance in customer job placement. In FY 2001, Utah again received a performance bonus of \$1,448,980 not only for moving individuals from cash assistance to employment, but for job retention.



Caseload History



- Households that include a family member who is a current victim of domestic violence

- Parents under age 19

- Parents who are required to be at home to meet the medical needs (physical or mental, including substance abuse) of a dependent

- Parents who were unable to complete a program of education or training within the 36-months through no fault of their own

- Through no fault of the parents, there was a delay on the part of DWS in the delivery of services that prevented the parents from obtaining employment

- Parents who moved to Utah after exhausting 36-months in

another state and did not receive PRWORA mandated services in that state

- Parents who completed education or training at the 36th month and need additional time to find employment

In addition, any parent who is employed for not less than 80 hours per month is rolled over past the 36-month lifetime limit on a month-by-month basis, as long as s/he remains employed, for up to 24-months. The employment rollover does not count in the 20% extension cap.

Caseload History

In January 1997, DWS had 12,295 financial assistance cases. By June 2001, that total had shrunk to an all time low of 7,990. There is no doubt that

Utah's strong economy has played a role in the success of FEP. But it is also true that the time customers receive assistance is being spent in a more productive manner. During that time, they are working at a wide variety of individualized activities to successfully move toward self-sufficiency.

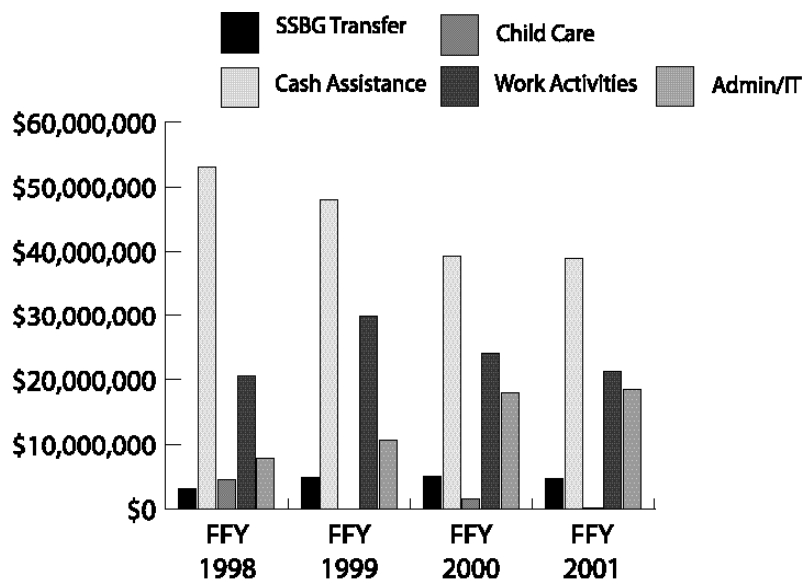
Caseloads have started to increase slightly (8,266 in October 2001), likely due to the recent downturn in the economy. This trend will be watched closely as we enter the sixth and final year of the TANF block grant.

Utah, like many other states, has achieved unprecedented success implementing welfare reform, providing compelling evidence that the devolution of authority to states was indisputably the correct course of action.

Although caseloads have declined by more than 50 percent nationwide, states have been able to use increased flexibility to design programs and services to support families not only with cash, but with a host of other services as well. The number of families receiving supportive work services continues to expand. In Utah, families with incomes no more than 200% of the poverty level are eligible to receive a range of services, such as employment and training, child care, transportation, education, and family and parental training.

Utah also offers a diversion program that provides short-term assistance to eligible families in need and expanded its earning "disregard" policies, which means that families can keep more FEP benefits even if they have more earned income, removing one of the many disincentives to work in the former AFDC program.

Historical TANF Spending



Note: Administrative spending rose in FFY 2000 due to federal regulations that made eligibility determination an administrative cost, greatly impacting that cost center.

For information on this and other programs, go to:

jobs.utah.gov



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